



# UNITED FISHERMEN OF ALASKA

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November 1, 2017

The Honorable Lisa Murkowski  
United States Senate  
522 Hart Senate Office Building  
Washington, D.C. 20510

The Honorable Don Young  
United States House of Representatives  
2314 Rayburn House Office Building  
Washington, DC 20515

The Honorable Dan Sullivan  
United States Senate  
702 Hart Senate Office Building  
Washington, D.C. 20510

## **RE: Health Care and Insurance for Alaska Self Employed Fishermen**

Dear Senators Murkowski and Sullivan, and Congressman Young,

United Fishermen of Alaska (UFA) is the statewide commercial fishing trade association, with membership that includes 34 commercial fishing associations and over 400 fishermen and fishing businesses participating in fisheries throughout the state and the federal waters off Alaska's coast. The fishing industry in Alaska includes over 16,000 permit holders (over 12,000 residents) and 22,000 crew members (over 11,000 residents), according to state permit and license records.

First, we thank you for your attention to the very difficult situation that Alaskans face with access to health care services and affordable health insurance. UFA looks to approach this issue with the long term objective of ensuring the health and well-being of fishermen who fish in our state and offshore waters, at affordable prices that do not risk the viability of their fishing business. We discourage political concerns that may detract from serious discussion and problem solving, and appreciate your consideration of our suggestions solutions to help both Alaskans and those participating in our industry.

Fishermen face greater difficulties than other Alaskan individuals and small business owners, due to the distances and transportation challenges from fishing grounds and smaller coastal communities, to the population centers where health care services are provided. Access to health care is often overlooked in the discussion about access to health insurance, therefore we appreciate your recognition of this aspect for rural Alaskans.

All that notwithstanding, it is shocking that average insurance costs in the individual market in Alaska are 219% of the national average, according to the Department of Health and Social Services May 2017 report “Individual Market Premium Changes: 2013 – 2017.” We fear this is a risk to the viability of independent fishing businesses, especially for younger fishermen. Fishermen’s stories about how the ACA has affected them vary widely from being a positive life change (drastically reduced rates) to devastating (costs too high to serve medical needs).

Points and suggestions we seek in the federal health care legislation are as follows:

1. Fishermen and association employees earning less than \$60,240 in wages have benefitted from provisions of the Affordable Care Act (ACA) that have helped them afford health insurance – we ask that these provisions be retained.
2. Fishermen whose gross earnings fall between \$60,240 and \$123,000 have been faced with very high rates and few choices, especially in Alaska. The hard cut-off of the tax-credits for ACA is problematic. Instead of a gradual reduction of eligible tax credits as income increases, there is a cliff that families fall off and no longer qualify for any tax credit once the family income is over the limit (which is approximately \$120,000 total income for family of four). We ask for help to equalize or reduce the extremely high costs for individuals that are above thresholds for cost reductions under ACA, but would hardly be considered wealthy enough to afford the expensive plans available in Alaska.
3. Currently individuals who receive health insurance through an employer are able to exclude premiums from their taxable income, however those who seek insurance on the individual market, who are also largely represented in our industry, don’t receive this benefit. Therefore while a small fishing business may be able to expense insurance premiums, it is first considered part of their income therefore exposing them to the marginal cliff previously noted.
4. We are interested in the provisions for Associated Health Plans and Pool Reform for the Individual Market coupled with the expansion of Health Savings Accounts, as proposed in the S.222 legislation by Rand Paul. These features provide a better choice of options and flexibility for the self employed. We are aware of an increasing number of fishermen who have joined ministry related insurance groups that have been able to offer reduced costs by being included in larger groups formed across state lines.
5. Equalize Tax treatment of Health Insurance for those seeking insurance on the individual market and those participating in alternative faith based or charitable health care plans.
6. Eliminate individual mandates and the one-size-fits-all approach to health care, therefore allowing for more flexibility and choice in how people are able to manage their unique health care needs.

7. While we would like to provide health insurance plans to our fishermen members and member groups, we do not expect that an Alaska-based insurance pool for fishermen can be created at affordable prices. Therefore we believe a legal provision for large health insurance pools or associations that can cross state lines would help address the problem of Alaska's high costs. Most fishermen are self-employed small businesses; health associations under a common umbrella, analogous to health association ministries, appears to be a good model.

We look forward to working with you to help ensure the health and viability of Alaska fishermen through consideration in federal health care legislation.

Thank you for your consideration,

To be signed



Jerry McCune  
President



Mark Vinsel  
Executive Administrator

Cc: Honorable Bill Walker, Governor, State of Alaska  
Commissioner Valerie Davidson, AK Department of Health and Social Services

#### MEMBER ORGANIZATIONS

Alaska Bering Sea Crabbers • Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association • Alaska Scallop Association  
Alaska Trollers Association • Alaska Whitefish Trawlers Association • Armstrong Keta • At-sea Processors Association • Bristol Bay Fishermen's Association  
Bristol Bay Reserve • Cape Barnabas, Inc. • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association • Cordova District Fishermen United  
Douglas Island Pink and Chum • Freezer Longline Coalition • Golden King Crab Coalition • Groundfish Forum • Kenai Peninsula Fishermen's Association  
Kodiak Regional Aquaculture Association • North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association  
Petersburg Vessel Owners Association • Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owner Association  
Seafood Producers Cooperative • Southeast Alaska Herring Conservation Alliance • Southeast Alaska Fisherman's Alliance  
Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners • Southern Southeast Regional Aquaculture Association  
United Cook Inlet Drift Association • United Southeast Alaska Gillnetters • Valdez Fisheries Development Association